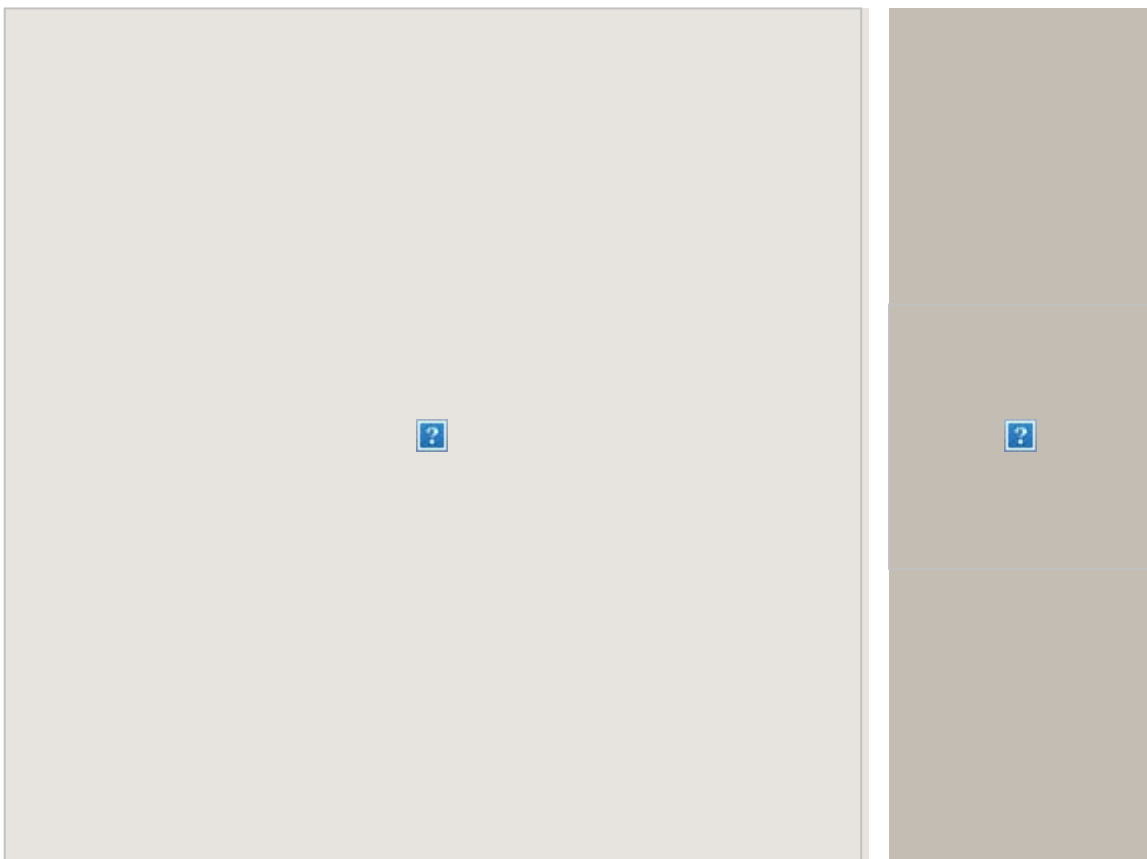


**From:** [RCLCO Advisory](#)  
**To:** [Kent Smith](#)  
**Subject:** Cycle Update: Stable Conditions Continue  
**Date:** Friday, July 24, 2015 8:18:19 AM

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## Cycle Update: Stable Conditions Continue

July 24, 2015 | By Len Bogorad, Managing Director, and Clare Healy, Associate

### RCLCO National Market Sentiment Survey 3Q 2015 Results Part 2

Echoing participants' positive sentiments regarding current and future market conditions, respondents to RCLCO's latest Market Sentiment Survey reported that most land uses are in the "early stable" phase of the real estate cycle and are likely to remain there over the next year. Since RCLCO's last sentiment survey in January, no land uses have moved into the "late stable" stage, and most have only edged up slightly within the same stage they were in six months ago.

According to survey participants, rental apartments continue to be the only land use in the "late stable" phase or projected to be in the late stable phase one year from now. Additionally, respondents indicated that resorts/second homes continue to lag behind all other land uses, remaining in the "early recovery" phase where it has been since 1Q 2013.



The outlook for economic indicators underlying land use performance is similarly positive but modest. There is a slight decrease in the share of respondents who believe that institutional cash flows will increase. Additionally, the proportion of respondents who expect interest rates and cap rates to "increase moderately" is higher on this survey than in 1Q 2015, when a larger share expected these rates to stay the same. However, the majority of respondents still expect indicators such as interest rates, home values, and rents to increase moderately or stay the same.



Overall, the predictions respondents made 12 months ago about today's conditions have proved highly accurate. Based on this track record and respondents' predictions for current conditions to continue, no major movement in the real estate cycle is anticipated over the coming year.

[To continue reading the article, including sentiment about the EB-5 Program, please click here.](#)

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*Article and research prepared by Len Bogorad, Managing Director, and Clare Healy, Associate.*

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